

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0367-10
Bill No.: HCS for SS#2 for SCS for SB 8 with HA 1
Subject: Employees- Employers; Workers' Compensation
Type: Original
Date: May5, 2011

Bill Summary: This proposal restricts co-employee liability in workers' compensation cases.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Legal Expense Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Department of Labor and Industrial Relations, Department of Insurance, Financial Institutions and Professional Registration** and the **Missouri Department of Transportation** assume that there is no fiscal impact from this proposal.

Officials at the **Missouri Department of Conservation** assume an unknown fiscal impact.

Officials at the **Office of Administration (OA)** assume an unknown savings to the Legal Expense Fund from the co-liability exclusion provisions. Current case law has established the liability of a co-worker when an employee is injured by the action of the co-worker in a work setting. This bill would eliminate the liability for the co-worker and the employer. Under the Legal Expense Fund, the state covers employees for their liability arising out of and in connection with their employment.

House Amendment 1

Officials at the **Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Missouri Department of Conservation, Missouri Department of Transportation** and the **Office of Administration** assume that there is no fiscal impact from this proposal.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
LEGAL EXPENSE FUND			
<u>Savings - co-employee liability</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LEGAL EXPENSE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The act affirmatively states that occupational diseases are covered under workers' compensation laws.

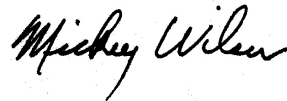
This act ensures that co-employees shall be released from liability for all workplace injuries under the workers' compensation system except when they engage in an affirmative negligent act that purposefully and dangerously caused or increased the risk of injury.

Toxic exposure is defined as an exposure to chemicals, dusts, particulates, fumes, mists, fibers, solvents, vapors, radiation, or other substances or other materials that, when ingested, consumed, inhaled, or absorbed are sufficient to cause disease, death, mutations, cancer, deformities, or reproductive abnormalities in humans. In cases where occupational disease is caused by toxic exposure, there shall be no subrogation rights for employers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Department of Insurance, Financial Institutions and Professional Registration
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration
Office of the Attorney General

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 5, 2011